

1 ROBERT S. MUELLER, III (CSBN 59775)  
2 United States Attorney

FILED  
Jul 13 4 15 PM '00  
RICHARD L. HARRIS  
U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CA

3  
4  
5  
6  
7  
8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 OAKLAND DIVISION

11  
12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

15  
16 LISA CHAN,

17 Defendant  
18  
19

CROO-40146

DLJ

No.  
VIOLATIONS: 18 U.S.C. § 371 -  
Conspiracy; 17 U.S.C. § 506(a)(1) and 18  
U.S.C. § 2319 - Criminal Copyright  
Infringement; 18 U.S.C. § 1956 - Money  
Laundering; 18 U.S.C. § 2320 - Trafficking  
in Goods Using a Counterfeit Mark

OAKLAND VENUE

20  
21 INDICTMENT

22 The Grand Jury charges:

23 COUNT ONE (18 U.S.C. § 371)

24 1. At all times relevant to this indictment:

25 a. Micro-Current Incorporated ("Micro Current") was a California  
26 corporation whose principal place of business was 390 South Abbott Avenue, Milpitas,  
27 California. Micro-Current purported to be in the business of selling computer software.

28 b. Defendant Lisa CHAN was a principal and the person who

Indictment- Lisa Chan

1

Document No.  
87  
District Court  
Criminal Case Processing

1 controlled the business affairs of Micro Current.

2 c. Microsoft Corporation Inc. ("Microsoft" ) was a Washington  
3 corporation which maintained offices in Redmond, Washington. It is in the business,  
4 among other things, of developing and selling software, including Microsoft Office 2000  
5 Professional, Office 97 Professional, Windows NT Server, Windows NT Workstation,  
6 Windows 98 and Windows 95.

7 2. Between in or about June, 1999, and June 15, 2000, in the Northern District of  
8 California, defendant

9 LISA CHAN

10 did knowingly conspire and agree with others unknown to the grand jury, willfully, and  
11 for purposes of commercial advantage and private financial gain, to infringe the  
12 copyrights of copyrighted computer software, specifically,

- 13 a. Microsoft Office 2000 Professional, Registration No. 4-905-936;  
14 b. Microsoft Office 97 Professional, Registration No. 4-395-984;  
15 c. Microsoft Windows 98, Registration No. 4-687-920;  
16 d. Microsoft Windows NT Server 4.0, Registration No. 4-395-758;  
17 e. Microsoft Windows NT Workstation 4.0, Registration No. 4-395-740

18 and

- 19 f. Windows 95, Registration No. 649-4511.

20 without authorization from the copyright holder.

21 3. As a part of and in furtherance of the conspiracy, defendant CHAN obtained  
22 hundreds of CD-Roms and disks containing illegally copied Microsoft software from her  
23 co-conspirators.

24 4. As a further part of the conspiracy, defendant CHAN obtained labels,  
25 certificates of authenticity, manuals and licensing agreements which purported to be  
26 produced by Microsoft but were, in fact, counterfeit. Defendant CHAN then packaged  
27 or caused to be packaged these counterfeit materials with illegally reproduced software  
28 for distribution.

1           5. As a further part of the conspiracy, on occasion defendant CHAN obtained  
2 legitimate Microsoft software, removed the legitimate Microsoft Certificates of  
3 Authenticity from them, and caused the legitimate Certificates of Authenticity to be  
4 packaged with illegally copied software. In this manner, defendant CHAN deliberately  
5 made it appear as if the illegally copied software was legitimate Microsoft software when,  
6 in fact, it was not.

7           6. As a part of and in furtherance of the conspiracy, defendant CHAN made it  
8 known that, doing business through Micro-Current, she could and would provide  
9 Microsoft software at prices below retail market prices.

10 **Overt Acts**

11           7. As a part of and in furtherance of the conspiracy, defendant CHAN committed  
12 the following overt acts in the Northern District of California and elsewhere:

13           a. in or about the first week of August, 1999, defendant CHAN delivered  
14 for redistribution approximately 6,000 pieces of Microsoft Office 97 Professional  
15 software which had been illegally copied without the approval of Microsoft;

16           b. on or about February 1, 2000, defendant CHAN sold two pieces of  
17 Microsoft Office 2000 Professional software which had been illegally copied without the  
18 approval of Microsoft;

19           c. on or about February 7, 2000, defendant CHAN sold 100 pieces of  
20 Microsoft Office 2000 Professional software which had been illegally copied without the  
21 approval of Microsoft;

22           d. on or about February 16, 2000, defendant CHAN sold 100 pieces of  
23 Microsoft Office 2000 Professional software and one sample each of Microsoft Windows  
24 98, 1st and 2nd editions, which had been illegally copied without the approval of  
25 Microsoft;

26           e. on or about February 29, 2000, defendant CHAN sold 50 pieces of  
27 Microsoft Windows 98, 1st edition, and 50 pieces of Microsoft 98, 2nd edition, and one  
28 piece of Microsoft Office 2000 Professional (retail box) which had been illegally copied

1 without the approval of Microsoft;

2 f. on or about March 14, 2000, defendant CHAN sold 25 pieces of  
3 Microsoft Office 2000 Professional (retail box) which had been illegally copied without  
4 the approval of Microsoft;

5 g. on or about March 22, 2000, defendant CHAN sold one piece of  
6 Microsoft Office 2000 Professional (retail box), one piece of Microsoft Office 2000  
7 Professional (CD only) and one piece of Microsoft Windows 98, 2nd edition, which had  
8 been illegally copied without the approval of Microsoft;

9 h. on or about March 29, 2000, defendant CHAN sold 10 pieces of  
10 Microsoft Office 2000 Professional (retail boxes), 10 pieces of Microsoft Office 2000  
11 Professional (CDs only) and 10 pieces of Microsoft Windows 98, 2nd edition, which had  
12 been illegally copied without the approval of Microsoft;

13 i. on or about April 7, 2000, defendant CHAN sold 15 pieces of Microsoft  
14 Office 2000 Professional (retail boxes) which had been illegally copied without the  
15 approval of Microsoft;

16 j. on or about May 30, 2000, defendant CHAN sold 20 pieces of  
17 Microsoft Office 2000 Professional (retail boxes) which had been illegally copied without  
18 the approval of Microsoft.

19 8. The object of the conspiracy was to illegally distribute more than ten illegally  
20 reproduced copies of Microsoft software worth more than \$2,500 within a 180 day  
21 period.

22 All in violation of Title 18 United States Code, Section 371, Title 17, United States  
23 Code, Section 506(a), and Title 18, United States Code, Section 2319(a) and (b)(1).

24  
25 COUNT TWO 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1).

26 1. In or about the first week of August, 1999, in the Northern District of  
27 California, defendant

28 LISA CHAN

1 willfully, and for purposes of commercial advantage and private financial gain, did  
2 infringe the copyrights of copyrighted software, specifically, approximately 6,000 pieces  
3 of Microsoft Office 97 Professional software, Registration number 4-395-984, which had  
4 been illegally copied without the approval of Microsoft.

5 All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
6 States Code, Section 2319(a) and (b)(1).

7  
8 **COUNT THREE** 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)

9 1. On or about the February 1, 2000, in the Northern District of California, the  
10 defendant

11 LISA CHAN

12 willfully, and for purposes of commercial advantage and private financial gain, did  
13 infringe the copyrights of copyrighted software, specifically, two pieces of Microsoft  
14 Office 2000 Professional software, Registration number, 4-395-936, which had been  
15 illegally copied without the approval of Microsoft.

16 All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
17 States Code, Section 2319(a) and (b)(1).

18  
19 **COUNT FOUR** 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)

20 1. On or about the February 7, 2000, in the Northern District of California,  
21 defendant

22 LISA CHAN

23 willfully, and for purposes of commercial advantage and private financial gain, did  
24 infringe the copyrights of copyrighted software, specifically, 100 pieces of Microsoft  
25 Office 2000 Professional software, Registration number 3-905-936, which had been  
26 illegally copied without the approval of Microsoft.

27 All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
28 States Code, Section 2319(a) and (b)(1).

**COUNT FIVE 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)**

1. On or about the February 16, 2000, in the Northern District of California,  
defendant

LISA CHAN

willfully, and for purposes of commercial advantage and private financial gain, did  
infringe the copyrights of copyrighted software, specifically, 100 pieces of Microsoft  
Office 2000 Professional software, Registration number, 3-905-936, one sample each of  
Microsoft Windows 98, 1st and 2nd editions, Registration number, 4-687-920, which had  
been illegally copied without the approval of Microsoft.

All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
States Code, Section 2319(a) and (b)(1).

**COUNT SIX 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)**

1. On or about the February 29, 2000, in the Northern District of California,  
defendant

LISA CHAN

willfully, and for purposes of commercial advantage and private financial gain, did  
infringe the copyrights of copyrighted software, specifically, 50 pieces of Microsoft  
Windows 98, 1st edition, Registration number 4-687-920; 50 pieces of Microsoft 98, 2nd  
edition, Registration Number 4-687-920; and one piece of Microsoft Office 2000  
Professional (retail box) Registration Number 4-905-936, which had been illegally copied  
without the approval of Microsoft.

All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
States Code, Section 2319(a) and (b)(1).

**COUNT SEVEN 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)**

1. On or about the March 14, 2000, in the Northern District of California,  
defendant

1 LISA CHAN

2 willfully, and for purposes of commercial advantage and private financial gain, did  
3 infringe the copyrights of copyrighted software, specifically, 25 pieces of Microsoft  
4 Office 2000 Professional (retail box), Registration number 3-905-936, which had been  
5 illegally copied without the approval of Microsoft.  
6 All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
7 States Code, Section 2319(a) and (b)(1).

8  
9 COUNT EIGHT 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)

10 1. On or about the March 22, 2000, in the Northern District of California,  
11 defendant

12 LISA CHAN

13 willfully, and for purposes of commercial advantage and private financial gain, did  
14 infringe the copyrights of copyrighted software, specifically, one piece of Microsoft  
15 Office 2000 Professional (retail box), Registration number 3-905-936, one piece of  
16 Microsoft Office 2000 Professional (CD only), Registration number 3-905-936 and one  
17 piece of Microsoft Windows 98, 2nd edition, Registration number 4-687-920, which had  
18 been illegally copied without the approval of Microsoft.  
19 All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
20 States Code, Section 2319(a) and (b)(1).

21  
22 COUNT NINE 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)

23 1. On or about the March 29, 2000, in the Northern District of California,  
24 defendant

25 LISA CHAN

26 willfully, and for purposes of commercial advantage and private financial gain, did  
27 infringe the copyrights of copyrighted software, specifically, ten pieces of Microsoft  
28 Office 2000 Professional (retail box), Registration number 4-905-936, ten pieces of

1 Microsoft Office 2000 Professional (cds only), Registration number 4-905-936, and ten  
2 pieces of Microsoft Windows 98, 2nd edition, Registration number 4-687-920, which had  
3 been illegally copied without the approval of Microsoft.

4 All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
5 States Code, Section 2319(a) and (b)(1).

6  
7 COUNT TEN 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)

8 1. On or about the April 7, 2000, in the Northern District of California, defendant

9  
10 LISA CHAN

11 willfully, and for purposes of commercial advantage and private financial gain, did  
12 infringe the copyrights of copyrighted software, specifically, 15 pieces of Microsoft  
13 Office 2000 Professional (retail boxes), Registration number 4-905-936, which had been  
14 illegally copied without the approval of Microsoft.

15 All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
16 States Code, Section 2319(a) and (b)(1).

17  
18 COUNT ELEVEN 17 U.S.C. § 506(a), 18 U.S.C. §§ 2319(a) and (b)(1)

19 1. On or about May 30, 2000, in the Northern District of California, defendant

20  
21 LISA CHAN

22 willfully, and for purposes of commercial advantage and private financial gain, did  
23 infringe the copyrights of copyrighted software, specifically, 20 pieces of Microsoft  
24 Office 2000 Professional (retail boxes), Registration number 4-905-936, which had been  
25 illegally copied without the approval of Microsoft.

26 All in violation of Title 17, United States Code, Section 506(a), and Title 18, United  
27 States Code, Section 2319(a) and (b)(1).



1 COUNT TWELVE (18 U.S.C. § 1956 (a)(1)(B)(i))

2 1. The allegations of paragraphs 1 and 3 through 7 of Count One of the indictment  
3 are hereby realleged and incorporated as though fully set forth herein.

4 2. On or about February 4, 2000, in the Northern District of California, defendant

5  
6 LISA CHAN,

7 knowing that the property involved in a financial transaction represented the proceeds of  
8 some form of unlawful activity, did knowingly and intentionally conduct a financial  
9 transaction which in fact involved the proceeds of a specified unlawful activity, namely,  
10 the copyright infringement described in the foregoing paragraphs of this count, knowing  
11 that the transaction was designed in whole or in part to conceal and disguise the nature,  
12 source, ownership and control of the proceeds of the copyright infringement.

13 In violation of Title 18, United States Code, Section 1956 (a)(1)(B)(i).

14  
15 COUNT THIRTEEN (18 U.S.C. § 1956 (a)(1)(B)(i))

16 1. The allegations of paragraphs 1 and 3 through 7 of Count One of the indictment  
17 are hereby realleged and incorporated as though fully set forth herein.

18 2. On or about February 16, 2000, in the Northern District of California,  
19 defendant

20 LISA CHAN,

21 knowing that the property involved in a financial transaction represented the proceeds of  
22 some form of unlawful activity, did knowingly and intentionally conduct a financial  
23 transaction which in fact involved the proceeds of a specified unlawful activity, namely,  
24 the copyright infringement described in the foregoing paragraphs of this count, knowing  
25 that the transaction was designed in whole or in part to conceal and disguise the nature,  
26 source, ownership and control of the proceeds of the copyright infringement.

27 In violation of Title 18, United States Code, Section 1956 (a)(1)(B)(i).

(a) WDB [Signature]

1 COUNT FOURTEEN (18 U.S.C. § 1956 (A)(1)(B)(i))

2 1. The allegations of paragraphs 1 and 3 through 7 of Count One of the indictment  
3 are hereby realleged and incorporated as though fully set forth herein.

4 2. On or about February 29, 2000, in the Northern District of California,  
5 defendant

6 LISA CHAN,

7 knowing that the property involved in a financial transaction represented the proceeds of  
8 some form of unlawful activity, did knowingly and intentionally conduct a financial  
9 transaction which in fact involved the proceeds of a specified unlawful activity, namely,  
10 the copyright infringement described in the foregoing paragraphs of this count, knowing  
11 that the transaction was designed in whole or in part to conceal and disguise the nature,  
12 source, ownership and control of the proceeds of the copyright infringement.

13 In violation of Title 18, United States Code, Section 1956 (A)(1)(B)(i). (a) WDB [Signature]

14

15 COUNT FIFTEEN (18 U.S.C. § 1956 (A)(1)(B)(i)) (a) WDB [Signature]

16 1. The allegations of paragraphs 1 and 3 through 7 of Count One of the indictment  
17 are hereby realleged and incorporated as though fully set forth herein.

18 2. On or about March 14, 2000, in the Northern District of California,  
19 defendant

20 LISA CHAN,

21 knowing that the property involved in a financial transaction represented the proceeds of  
22 some form of unlawful activity, did knowingly and intentionally conduct a financial  
23 transaction which in fact involved the proceeds of a specified unlawful activity, namely,  
24 the copyright infringement described in the foregoing paragraphs of this count, knowing  
25 that the transaction was designed in whole or in part to conceal and disguise the nature,  
26 source, ownership and control of the proceeds of the copyright infringement.

27 represented the proceeds of some form of unlawful activity. (a) WDB [Signature]

28 In violation of Title 18, United States Code, Section 1956 (A)(1)(B)(i).

1 COUNT SIXTEEN (18 U.S.C. § 2320(a)).

2 1. The allegations of paragraphs 1 and 3 through 7 of Count One of the  
3 indictment are hereby realleged and incorporated as though fully set forth herein.

4 2. Between in or about and between June, 1999 and June 15, 2000, in the  
5 Northern District of California, defendant

6  
7 LISA CHAN

8 did traffic in goods, to wit: the following computer software manufactured by Microsoft  
9 Corporation:

10 a. Microsoft Office 2000 Professional, Registration No. 4-905-936,

11 b. Microsoft Office 97 Professional, Registration No. 4-395-984;

12 c. Microsoft Windows 98, Registration No. 4-687-920;

13 knowingly using a counterfeit mark on and in connection with such goods.

14 All in violation of Title 18, United States Code, Section 2320(a).

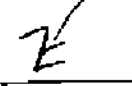
15  
16  
17 DATED: 7-13-00

A TRUE BILL.

18  
19   
FOREPERSON

20 ROBERT S. MUELLER, III  
21 United States Attorney

22   
23 JOHN KENNEDY  
Chief, Oakland Branch

24 (Approved as to form: )

25 Zanides